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May 4, 1984

Honorable John Vasconcellos, Chairperson
Assembly Ways and Means Committee

Honorable Alfred E. Alquist, Chairperson
Senate Finance Committee

Gentlemen:

MAY REVISION EXPENDITURE REPORT

On March 15, 1984, the Department of Finance provided you with an update on the status of the General Fund, including Finance Letters issued through that date. The enclosed May Revision Expenditure Report gives a further update of expenditures incorporating proposed Finance Letter adjustments for enrollment, caseload and population. The May Revision Revenue Report and any Finance Letters that may be necessary as a result of revenue revisions will be submitted to the Legislature on May 11.

The combination of enrollment, caseload, population and Finance Letter adjustments reported in the May Revision increases expenditures in 1983-84 by $3.3 million and reduces expenditures in 1984-85 by $219.3 million. Given the size of the California budget, these are minor adjustments equivalent to less than one-half of one percent of the total State spending plan for the two-year period.

The March 15, 1984, General Fund update and the May revision of expenditures cumulatively show that authorized personnel years have increased by 940.0, bringing the personnel year level for the 1984-85 fiscal year to 230,479.7 -- a total still significantly below the 1983-84 level of 234,420.0 personnel years. This increase is largely due to staffing requirements arising from higher inmate population projections for the State's correctional institutions and the adoption of the new State Transportation Improvement Program.

I hope this early transmittal of the May Revision Expenditure Report is helpful to you. If you have questions or wish to discuss this report, I would be pleased to meet with you at your convenience.

Very truly yours,

JESSE R. HUFF
Director of Finance

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MAY REVISION

EXPENDITURE REPORT

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GENERAL FUND
EXPENDITURES
BUDGET UPDATE
1983-84 and 1984-85
(In Millions)

	1983-84	1984-85
EXPENDITURES AS OF JANUARY 10, 1984	$22,641.2	$25,076.4
ADJUSTMENTS		
May Revision Changes	-$14.1	-$261.7
Financial Legislation	30.4	--
Deficiency Adjustments Prior to May Revision	-13.0	--
Finance Letters Prior to May Revision	--	42.4
Total Adjustments	$3.3	-$219.3
TOTAL EXPENDITURES	$22,644.5	$24,857.1

MAY REVISION
GENERAL FUND
EXPENDITURE SUMMARY

	1983-84	1984-85
California Conservation Corps	--	$5.0
Department of Forestry	$2.1	-0.3
Department of Health Services--Medi-Cal	-54.3	-166.4
Department of Health Services--California Children Services	-0.2	-4.4
Department of Developmental Services	--	10.2
Employment Development Department	--	-1.6
Department of Rehabilitation	--	8.7
Department of Mental Health	--	3.2
Department of Social Services	13.6	43.4
Department of Corrections	3.4	34.4
Department of Youth Authority	--	2.8
Department of Education	188.3	-191.3
Community College--Apportionments	--	--
Tax Relief	18.3	--
Bond Interest and Redemption	-5.3	-5.4
State Mandated Local Programs	--	--
Unidentified Savings	--	--
Unallocated Expenditures and Legislative Initiatives	-180.0	(32.4)
Total	-$14.1	-$261.7

MAY REVISION
GENERAL FUND
EXPENDITURE DETAIL
1983-84 and 1984-85
(Dollars In Millions)

RESOURCES

California Conservation Corps

1983-84	--
1984-85	$5.0

There is an estimated revenue shortfall of $2.4 million in the Environmental License Plate Fund (ELPF) caused by declining sales of personalized license plates (-$1.8 million) and declining income from the Pooled Money Investment Fund (-$550,000). The Administration proposes to deal with this revenue shortfall by shifting the California Conservation Corps' (CCC) 1984-85 ELPF budget of $5.0 million to the General Fund.

In Fiscal Year 1983-84, the ELPF was used for the first time to fund the CCC in response to the General Fund fiscal crisis. It is appropriate to return the CCC to its traditional funding source now that the General Fund fiscal situation has improved.

Department of Forestry

1983-84	$2.1
1984-85	-$0.3

With rainfall less than forecasted, California's fire season started much earlier in 1984 than anticipated. Based on updated projections concerning the severity of the fire season for the balance of 1983-84, this revision provides $1.5 million for emergency fire suppression in addition to the $6.0 million proposed for this purpose in the deficiency bill. Also, funds in the amount of $572,000 are included to pay projected costs of radio maintenance engineering services and microwave services provided by the Department of General Services, Office of Telecommunications. In the budget year, there is a downward technical adjustment of $326,000 in General Fund expenditures to properly reflect anticipated reimbursements.

HEALTH AND WELFARE

Department of Health Services--Medi-Cal

1983-84	-$54.3
1984-85	-$166.4

This update includes: (1) savings due to caseload/user decreases, (2) increased Federal funding in Federal Fiscal Year 1985, (3) hospital inpatient savings from the court settlement on the State's peer grouping reimbursement policy, (4) increased costs due to hospital inpatient expenses incurred because court rulings changed the point in time that the occupancy adjustments were effective, and (5) increases as a result of hospital inpatient cost settlements. The current year reflects $12.0 million in anticipated Federal reimbursements for prior year expenditures.

Department of Health Services — 1983-84 -$0.2; 1984-85 -$4.4

For 1983-84, the California Children's Services' (CCS) caseload has decreased, bringing expenditures down $4.2 million below budgeted levels. Therefore, it is proposed that General Fund expenditures be reduced by $151,000 and that $4.0 million of Federal funding budgeted for the 1983-84 CCS caseload be eliminated and used for the 1984-85 CCS costs and to provide three-year funding for perinatal programs. For 1984-85, CCS expenditures are down $3.7 million, which includes a $0.3 million reduction in the cost-of-living adjustment. As such, it is proposed that $4.5 million General Fund be eliminated and that $1.0 million of the $4.0 million of Federal funding discussed above be used to meet CCS costs. This proposal would then provide $3.0 million of Federal funds to be used for perinatal programs over the next three years ($1.0 million in 1984-85). An additional net reduction of $0.1 million is reflected for various adjustments.

Department of Developmental Services — 1983-84 --; 1984-85 $10.2

This estimate reflects a net increase of $10.2 million to provide for: (1) Regional Center caseload and special adjustment increases of $7.6 million, (2) a reduction of 41.0 personnel years and a shift of $522,000 to contract with the Prison Industry Authority for laundry services for Lanterman State Hospital, and (3) increases of $2.6 million to place an additional 800 clients in the community.

Employment Development Department — 1983-84 --; 1984-85 -$1.6

The budget year changes include a reduction of $345,000 and 20.7 personnel years relating to a State match (reduction) for Federal funding for the Work Incentive Program and a savings of $1.3 million and 44.1 personnel years based on an agreement with the Legislative Analyst to increase the department's salary savings level.

In addition, non General Fund revisions totaling a net reduction of $517.1 million and 198.9 personnel years include:

1. A Local Assistance reduction of $512.5 million in Unemployment Insurance Benefits;

2. A reduction of $6.7 million and 237.5 PY based on an agreement with the Legislative Analyst to increase the Department's salary savings level;

3. An Unemployment Insurance workload increase in support services of $4.9 million and 184.2 PY due to slower than the anticipated reduction reflected in the January budget;

4. A Work Incentive Program Federal Fund reduction of $4.1 million and 186.2 PY;

5. A baseline budget reduction of $5.3 million to reflect overstated Federal funds;

6. An increase of $1.1 million and 28.6 PY to reflect a revision to California's share of formula driven Federal funding for the Job Service Component of the Federal Supplemental Compensation Program;

HEALTH AND WELFARE (Continued)

Employment Development Department (Continued)

7. An appropriation of increased Contingent Fund revenues ($4.0 million) to fund Unemployment Insurance and Tax Accounting System automation activities which will provide future program savings, personnel savings and revenue enhancements; and

8. A reimbursement increase of $1.5 million and 12.0 PY to conduct for the Department of Transportation an employment program for low income individuals displaced by the Century Freeway Project.

Department of Rehabilitation	1983-84	--
	1984-85	$8.7

The budget year revision reflects an increase in caseload and client costs in the Work Activity Program (WAP).

Department of Mental Health	1983-84	--
	1984-85	$3.2

The primary change to the Department of Mental Health's budget reflects revised State hospital population projections for in-hospital patients and new patient admissions. These revised estimates require a net total 1984-85 General Fund augmentation of $1.9 million and 73.8 personnel years, based on: (1) an increase of $2.0 million and 78.8 personnel years needed as a result of an increased Mentally Disordered Sex Offender population within the State hospitals, and (2) a reduction of $74,453 and 5.0 personnel years to reflect a decreased hospital patient admissions estimate. Other budget year adjustments are: (1) an increase of $0.3 million for the Jamison v. Farabee Consent Decree (independent phychiatric review due to ordered medications); (2) an increase of $0.4 million for a Sex Offender Pilot Project; and (3) an increase of $0.5 million due to adjustments to the Mental Health Initiative.

Department of Social Services--Welfare	1983-84	$13.6
	1984-85	$43.4

Current year expenditures are expected to increase by $13.6 million, of which $8.3 million is proposed for inclusion in the deficiency bill. The net Department of Social Services increase results from the following factors: (1) reduced AFDC caseload ($7.6 million), (2) increased Foster Care costs resulting from a Federal Title IV-E reappropriation which will not materialize ($17.3 million), (3) increased caseload in the SSI/SSP program ($8.3 million), (4) increased expenditures due to various court cases and other program changes ($1.6 million), and (5) reduced county administration costs as a result of lower caseload ($6.0 million). Of this $6.0 million amount, $3.4 million was previously included in the Budget as a deficiency and $2.6 million represents the current estimate of savings.

The revision to the budget year is a net increase of approximately $43.4 million due to: (1) increases in the AFDC program of $5.4 million, resulting from retroactive payment of court cases and reduced child support collections; (2) increases in SSI/SSP of $30.8 million which are attributed to basic caseload and grant increases partially offset by increased Federal COLAs; (3) increases to COLAs of $11.9 million due to caseload adjustments and changes in the Federal COLA for the SSI/SSP program; and (4) other program changes resulting in a $4.7 million reduction primarily in the cost of county administration.

YOUTH AND ADULT CORRECTIONAL

Department of Corrections	1983-84	$3.4
	1984-85	$34.4

The 1983-84 support budget deficiency is being revised downward by an additional $1.6 million largely due to lower projected costs for workers' compensation and community bed contracts. The 1984-85 Governor's Budget is being increased by $27.2 million from the General Fund and $0.3 million from the Inmate Welfare Fund and 476.9 personnel years to reflect a growth of 1,220 in projected inmate population over earlier estimates of a 46,695 inmate level for 1984-85. The budget year revision provides funding for custody, security and inmate support costs. This augmentation is due to additional overcrowding in existing institutions, providing work programs for all employable inmates, and the opening of new correctional facilities and camps. The latter includes reimbursement funds and personnel years for the Department of Forestry. Funding for a personal alarm system pilot project to provide for correctional staff safety has also been included.

Additionally, increased local assistance funding is required to provide for county costs of $5.0 million in the current year and $7.2 million in the budget year for court costs and county charges for inmate trials, transportation of prisoners to correctional facilities, returning fugitives from outside the State, and the cost of detaining parolees pending parole violation hearings.

Department of Youth Authority	1983-84	--
	1984-85	$2.8

The 1984-85 Governor's Budget projected a ward population of 5,860 by June 30, 1985. Revised population estimates as of April 30, 1984, indicate a population of 6,235 for an increase of 375 wards, requiring a budget revision of $2.8 million and 53.0 personnel years. Reimbursement funds and personnel years for the Department of Forestry are included for the increase in bed capacity at existing camps.

The growth in inmate population is attributed to an increase in parole violator returns, an increase in length of institutional stay, and the passage of SB 821. This bill authorizes the criminal courts to commit cases to the Department of Corrections, but allows the wards to serve the first part of their term at Youth Authority facilities.

EDUCATION

Department of Education (K-12)	1983-84	$188.3
	1984-85	-$191.3

Estimated expenditures for K-12 Education are being increased by $179.8 million in 1983-84 and decreased by $191.3 million in 1984-85. These changes are composed of revisions to both total K-12 expenditure requirements and local property tax revenues. An overview of the revisions in expenditures and local revenue estimates for the current and budget year is presented in the sections that follow.

1983-84 Expenditures

In January, the Governor's Budget included 1983-84 deficiencies of $56.0 million for general-purpose apportionments, $2.2 million for home-to-school transportation, and $1.6 million for adult education. Currently, we are forecasting no deficiency in general-purpose apportionments or home-to-school transportation, and our forecast of the adult education deficiency remains unchanged. Of the $58.2 million reduction in estimated K-12 deficiencies, only $49.7 million is reported as a May Revision adjustment. The remaining $8.5 million of reductions was reported in earlier adjustments to the deficiency bill.

EDUCATION (Continued)

Department of Education (K-12) (Continued

The Department of Finance is forecasting increases in: district average daily attendance ($17.8 million), required funding for the SB 813 necessary small schools adjustment ($10.3 million), and other revenue limit adjustments ($3.0 million). These increased expenditure requirements are offset by:

1. An increase in local revenues other than those local revenues due to the supplemental roll ($67.8 million);
2. State School Fund revenue increases ($3.9 million); and
3. Reduced requirements for the SB 813 beginning teacher salary adjustment ($8.5 million), home-to-school transportation ($6.4 million), County Office of Education ADA ($5.9 million), and cost-of-living adjustments ($1.8 million).

The remaining $5.0 million will be encumbered by the Department of Education to fund deficiencies in other K-12 education programs as authorized by current law, or for use in subsequent years to make corrections to 1983-84 apportionments.

1984-85 Expenditures

For 1984-85, the May Revision reflects reduced General Fund expenditures of $191.3 million. This is composed of reduced expenditures for K-12 school district revenue limit apportionments of $179.1 million, County Office of Education apportionments of $6.1 million, and home-to-school transportation reimbursements of $8.0 million. These reductions are partially offset by increased expenditures for cost-of-living adjustments ($1.9 million).

The major causes of the decrease in district revenue limit apportionments are increased local revenues of $219.1 million, increased State School Fund revenues of $3.9 million, a decrease of $10.6 million in the amount estimated to fund increased instructional time, and other reductions of $1.8 million. The Budget Bill appropriation for revenue limit apportionments has also been reduced by $41.0 million to delete funding from the Budget for supplemental summer school instruction in math, science and other core academic areas. This program was funded at a reduced level ($37.2 million) in separate legislation (AB 2224), and May Revision figures reflected here include the appropriation contained in the bill.

These reductions are partially offset by: (1) increased apportionments of $46.6 million due to increased average daily attendance; (2) increased apportionments for necessary small schools ($10.4 million); and (3) $3.2 million due to reestimates of other revenue limit adjustments.

Estimated expenditures for county offices have decreased due to a reduced estimate of average daily attendance in juvenile hall programs ($4.8 million), and increased local revenues ($1.7 million), partially offset by ADA increases in other county office programs ($0.4 million). Home-to-school transportation expenditures have also been reduced to reflect a shift of $1.4 million from the transportation items to district revenue limits and a reduction in the estimate of approved transportation costs of $6.6 million.

EDUCATION (Continued)

1983-84 K-12 Local Revenues

1983-84	($170.2)
1984-85	(-$220.8)

For the current year, K-12 local property tax revenues will be down $170.2 million from the Governor's Budget. Factors include:

1. An increase of $67.8 million in the estimate of property tax revenues due to growth for 1983-84 from 7.5 to 7.9 percent ($8.5 million), an increase in the 1982-83 base ($37.2 million), and a reduction in level of delinquencies in property tax payments ($22.1 million). (See section on "Factors Considered in Re-estimating Local Property Tax Revenues.")

2. A reduction of $238.0 million in supplemental roll property taxes to be collected. These revenues were to be used to reduce K-12 apportionments, thereby allowing the transfer of a corresponding amount of the K-12 appropriation to the General Fund.

   Based on data provided by the State Board of Equalization, the Department of Finance originally estimated that $258.0 million, after administrative costs, would be generated for schools by the supplemental property tax roll in 1983-84. Using information provided by counties in January 1984 and updated in an April telephone survey, the Department is revising its estimate of the total amount of revenues generated by the supplemental roll in 1983-84. The Department has reduced the county estimates of revenues for debt levies, delinquencies and administrative costs and is now estimating that $210.0 million in supplemental roll revenues will be available for K-12 schools. Due to implementation problems, only $20.0 million of this amount will be collected for schools in 1983-84. The balance, $190.0 million, will be collected in 1984-85.

1984-85 K-12 Local Revenues

For the budget year, revised estimates indicate local tax revenues will increase over those estimated in the Governor's Budget by $220.8 million. Components of the revised estimate include:

1. An $81.9 million increase in local property tax revenues due to the increase in the 1983-84 local revenues base ($70.5 million) and an increase in the Department's forecast of the rate of growth in local revenue from 8.5 percent to 9.0 percent ($11.4 million).

2. A $190.0 million carryover of 1983-84 supplemental roll proceeds expected to be collected in 1984-85.

3. A reduction of $51.1 million in collections for K-12 schools and County Offices of Education for 1984-85 supplemental roll activity.

EDUCATION (Continued)

Department of Education (K-12) (Continued)

The Department of Finance estimates that K-12 schools will receive a total of $97.0 million in supplemental roll proceeds. This revised estimate assumes no change to the total levy due to activity in 1984-85. However, it assumes that billings and collections will lag three months and that supplemental roll revenues will be distributed to schools as regular property tax revenues are distributed. The Department has adjusted this estimate to account for redevelopment agencies receiving an increasing share of property tax growth.

Factors Considered in Re-estimating Local Property Tax Revenues

The estimate of property tax revenue growth for 1983-84 has been increased from 7.5 percent to 7.9 percent. The original estimate was revised to take into account information provided in the Legislative Analyst's 1984-85 Perspectives and Issues report on redevelopment growth.

First Principal Apportionment reports (P-1) indicate that 1983-84 secured roll revenues for schools will increase 9.2 percent over 1982-83 revenues. However, this estimate is difficult to support because:

1. the P-1 estimates for community college districts for secured roll revenues grew by only 7.7 percent for the same period; and

2. the P-1 data historically have not been consistently higher or lower than actual collections.

Prior to 1983-84, the Homeowners' and the Business Inventory Exemptions (BIE) were reported together. In 1983-84, schools started to receive their BIE payments directly through the apportionment process, so county auditors no longer have to report BIE revenues. Given the confusion over the allocation of Business Inventory Exemption subventions during the first part of this fiscal year, it is likely that some BIE funds were included in the Homeowners' Exemption estimates. The Department of Finance is, therefore, retaining its estimated .04 percent increase for Homeowners' Exemption in 1983-84 and 1984-85.

Also left unchanged are the estimates of 1983-84 and 1984-85 growth rates for prior-year collections (10 percent) and timber tax receipts (-46 percent in 1983-84, and no growth in 1984-85). There is no additional information to indicate that prior-year collections will increase beyond this amount. However, current collections of trailer coach fees reported by the Department of Housing and Community Development have been reviewed and the estimate has been revised to show a 2.8 percent increase in collections in 1983-84.

An adjustment of $22.7 million for 1983-84 has been included to account for a projected 1 percent increase in the collection rate of local property taxes from the secured roll. Recent information from a survey of the 16 largest counties indicate that the percent of property taxes collected is above the percent that was collected during the same period last year. As a result, most counties estimate that they will end the collection year 1 percent above the collection rate for last year. This increased collection rate is expected to continue in 1984-85.

EDUCATION (Continued)

Community College Apportionments

1983-84	--
1984-85	--

The Chancellor of the Community Colleges has certified that, based on the First Principal Apportionment reports, the amount of local revenue districts will receive in 1983-84, exclusive of West Kern which receives no State funds, is $396.3 million. This amount is $4.3 million higher than the Department of Finance's 1983 May Revision estimate of $392.0 million.

In addition to this change from the 1983 May Revision, we have re-estimated the amount of local revenue available in both 1983-84 and 1984-85 based on the current forecast of changes in local revenue. The following table displays these changes.

LOCAL REVENUE (In Millions)

	1983-84	1984-85
1983 May Revise	$392.0	--
1984-85 Governor's Budget	392.0	$450.0
1984 May Revise	404.0	454.2
Change	$12.0	$4.2

These changes represent an increase of $12.0 million available to districts in 1983-84 and $4.2 million in 1984-85 over previous estimates.

These local revenue figures are presented for information and serve as the notification required by Chapter 565, Statutes of 1983. No adjustment to the amount of General Fund support for apportionments will be made because of this increased estimate of local revenue.

GENERAL GOVERNMENT

Tax Relief

1983-84	$18.3
1984-85	--

Revised estimates for the Renters' Credit Program and adjustments to Personal Property Tax Relief payments resulted in reduced savings of $18.3 million in the current year.

Bond Interest and Redemption

1983-84	-$5.3
1984-85	-$5.4

The estimated expenditures for this program are based upon the debt service needs of the various general obligation bond programs. The 1984-85 Budget estimates included: (1) the actual current and budget year costs of bonds issued through December 31, 1983; and (2) the estimated current and budget year costs of bonds expected to be sold on or after January 1, 1984. Delays in the sales of these bonds, however, have reduced the estimated expenditure needs for both years.

GENERAL GOVERNMENT (Continued)

State Mandated Local Programs — 1983-84 --; 1984-85 --

The 1984-85 Governor's Budget reflects certain "pending legislation" affecting State mandated local program expenditures, which the Department of Finance believes meet the criteria for being reimbursable State mandates, but which are somewhat controversial, primarily because of the extent of their costs. Those programs are vocational rehabilitation (Chapter 1435/74) and detention of stray cats (Chapter 1060/80) which total approximately $101 million through 1984-85. This amount continues to be reflected in the budget totals because these are viewed as legitimate state obligations.

Two other related programs are not included. The first is the issue of whether funding for cumulative trauma (Chapter 360/77) should come from the General Fund or the State Compensation Insurance Fund (SCIF). In deleting the $30.0 million appropriation from the General Fund in AB 504, the Governor indicated that the funding should be from SCIF. The accuracy of the $30.0 million figure will be reexamined, since that figure was not developed by the Department of Finance. When the Legislature added language restricting eligible claimants to those local entities which became self-insured prior to January 1, 1978, the original estimate of $51.6 million was cut approximately by one-half.

The second issue involves voluntary school desegregation costs. The Board of Control is dealing with this issue, but no firm estimates of total costs are yet available. The cost of the court-ordered desegregation programs are not included in the budget totals.

Unidentified Savings — 1983-84 --; 1984-85 --

The Governor's Budget estimated these savings to be $25.0 million for 1983-84 and $100.0 million for 1984-85. Because of the freezes and related budget reductions during the past few years, the Department of Finance felt that unidentified savings in the current and budget years would be below the historical norm. These savings, in effect, have already been realized in various budgetary adjustments. In response to suggestions that unidentified savings should be higher, the Department has reexamined its estimates. An analysis of the past six years expenditure data indicates that savings, as adjusted for changes in carryover amounts for the unencumbered balances of continuing appropriations, have averaged $48.0 million per year. Due to this evaluation, the Department is reluctant to make any changes to the estimates for unidentified savings. Furthermore, the May Revision of expenditures specifically identifies $59.8 million of savings in the current year.

Unallocated Expenditures and Legislative Initiatives — 1983-84 -$180.0; 1984-85 ($32.4)

The Budget included $180.0 million for Unallocated Expenditures in the current year and $125.0 million for Legislative Initiatives in the budget year. The Administration included the 1983-84 funds to cover unexpected deficiencies, financial legislation and the possible delay in the implementation of the K-12 Supplemental Property Tax Role. A portion ($26.5 million) of the $180.0 million for Unallocated Expenditures was allocated in the March 15 letter.

GENERAL GOVERNMENT (Continued)

Unallocated Expenditures and Legislative Initiatives (Continued)

The remaining $153.5 million is allocated in the May Revision of expenditures to partially cover the costs of financial legislation and the delay in collection of the Supplemental Property Tax. The $125.0 million included in the budget year for Legislative Initiatives was an attempt to recognize the fact that the Legislature has historically increased the level of expenditures above the amount appropriated in the Budget. The Department of Finance continues to feel that this treatment of funds is appropriate and believes that this amount will be expended and therefore not impact the reserve. It should be noted that legislation enacted and chaptered since the introduction of the Governor's Budget has already committed $32.4 million.

GENERAL FUND
FINANCIAL LEGISLATION
(In Millions)

		1983-84	1984-85
Community Colleges			
AB 470--Apportionments	$96.5		--
AB 1XX--Financial Aid	--		($5.0)
AB 1XX--Transfer From COFPHE	-28.0		--
Amount Included In Budget	-50.0		--
Total		$18.5	--
AB 247--Alameda County Office of Education		5.5	(0.2)
AB 1621--Pacific Grove Unified School District		1.8	(-1.1)
AB 2099--California Parks and Recreation Facilities		--	(9.2)
AB 2164/2165--Claims Bills		2.8	--
SB 310--Correctional Facilities		--	(13.8)
SB 512--Fish and Wildlife Habitat Enhancement		--	(2.1)
SB 2076--Pest and Disease Eradication		1.6	(2.1)
Other		0.2	(1.1)
Total Financial Legislation		$30.4	($32.4)

GENERAL FUND DEFICIENCIES
(Dollars in Thousands)

Department	Governor's Budget	Administration Supported Adjustments Prior to May Revision	May Revision Adjustments*	Total
State Operations				
State Controller	$3,054	--	--	$3,054
Museum of Science and Industry	169	--	--	169
Department of Forestry	10,000	-$4,000	$1,500	7,500
Department of Forestry	3,806	--	572	4,378
Department of Parks and Recreation	1,320	-1,320	--	--
Department of Water Resources	--	100	--	100
Department of Water Resources	--	200	--	200
Employment Development Department	1,134	--	--	1,134
Department of Corrections	7,826	-3,395	-1,611	2,820
Youthful Offender Parole Board	186	--	--	186
Department of Youth Authority	1,300	--	--	1,300
University of California	1,618	--	--	1,618
California Maritime Academy	--	25	--	25
Administration and Payment of Tort Liability Claims	--	250	--	250
California Arts Council	125	31	--	156
Agricultural Labor Relations Board	200	--	--	200
Department of Industrial Relations	2,200	-717	--	1,483
Department of Food and Agriculture	--	3,128	--	3,128
Department of Food and Agriculture	--	65	--	65
Department of Food and Agriculture	--	289	--	289
California Information Systems Implementation Committee	7	--	--	7
Military Department	406	-42	--	364
Military Department	--	66	--	66
Military Department	--	103	--	103
Totals, State Operations	$33,351	-$5,217	$461	$28,595
Local Assistance				
Salaries of Superior Court Judges	--	$608	--	$608
Tahoe Regional Planning Agency	--	18	--	18
Tahoe Regional Planning Agency	--	163	--	163
Department of Social Services	$3,488	-65	-$3,423	--
Department of Social Services	--	--	8,313	8,313
Department of Corrections	--	--	5,041	5,041
Department of Education	25,207	--	-25,207	--
Department of Education	30,772	-8,500	-22,272	--
Department of Education	2,209	--	-2,209	--
Department of Education	1,561	--	--	1,561
Assistant to Counties for Defense of Indigents	2,800	--	--	2,800
Payments to Counties for Cost of Homicide Trials	1,000	--	--	1,000
State-Mandated Local Programs	30,614	--	--	30,614
Totals, Local Assistance	$97,651	-$7,776	-$39,757	$50,118
Total Deficiencies	$131,002	-$12,993	-$39,296*	$78,713

* Deficiencies related to the May Revision estimates are reflected in the summary totals for May Revision Changes on the Budget Update chart (Page 1).